

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7312

BILL NUMBER: HB 1753

NOTE PREPARED: Mar 29, 2007

BILL AMENDED: Mar 29, 2007

SUBJECT: Mortgage Foreclosure Counseling.

FIRST AUTHOR: Rep. Summers

FIRST SPONSOR: Sen. Lubbers

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Mortgage Foreclosure Program*- The bill authorizes the Indiana Housing and Community Development Authority (the Authority) to establish a program to provide free mortgage foreclosure counseling and education to homeowners who have defaulted on or are in danger of defaulting on the mortgages on their homes. The bill provides that the program may include a central toll free telephone number that homeowners may call to receive mortgage foreclosure counseling and education. The bill authorizes the Authority to award grants for the training of counselors who will provide mortgage foreclosure counseling and education. The bill provides that the Authority may establish standards for the certification of counselors.

Grants- The bill provides that the Authority may solicit contributions and grants from the private sector, nonprofit entities, and the federal government to assist in carrying out the program.

Legislative Council Report- The bill requires the Authority to submit a report to the Legislative Council annually.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) *Mortgage Foreclosure Program*- The Authority may have additional expenditures to provide training grants for counselors and advertisement of a mortgage foreclosure program. The Authority would have the option to establish a toll-free phone line for access to counselors. One toll-free provider listed package rates with monthly fees ranging from \$9.99 to \$99 and additional minute charges at \$0.029 to \$0.059 per minute. Without either legislative or administrative action, any expenditures accrued by the Authority to develop a program would be subject to the existing level of

resources of the Authority or any grants secured by the Authority from other sources.

Legislative Council Report- The Authority would accrue minimal expenditure to prepare electronic reports for the Legislative Council.

Explanation of State Revenues: (Revised) *Grants-* The Authority may secure grants from the private sector, non-profit entities, and the federal government.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Housing and Community Development Authority.

Local Agencies Affected:

Information Sources: www.phonepeople.com.

Fiscal Analyst: Chris Baker, 317-232-9851.